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# ON THE SITUATION IN

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# On the Situation in Berlin



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# NOTE OF THE SOVIET GOVERNMENT OF JULY 14, 1948

*On July 6th the Soviet Government received a Note from the British Government on the situation in Berlin. Notes of similar content were also received by the Soviet Government from the Governments of the United States of America and France.*

*On July 14th the Soviet Government through their Ambassador in London sent a Note to the British Government in reply to the above-mentioned Note. Similar Notes were sent to the Governments of the United States of America and France.*

*Below we publish the text of the Note of the Soviet Government of July 14th, 1948.*

**I** THE Soviet Government has acquainted itself with the Note of the Government of Great Britain dated July 6 of this year, in which the situation that has arisen in Berlin at the present time is ascribed to the measures adopted by the Soviet side. The Soviet Government cannot agree with this statement of the Government of Great Britain and considers that the situation created in Berlin arose as the result of the violation by the Governments of Great Britain, the U.S.A. and France of the agreed decisions adopted by the Four Powers in relation to Germany and Berlin, expressed in the carrying out of a separate currency reform, the introduction of special currency notes for the western sectors of Berlin and the policy of dismembering Germany.

The Soviet Government repeatedly warned the governments of Great Britain, the U.S.A. and France of the responsibility which they were incurring by taking the path of violation of the agreed decisions with respect to Germany



previously adopted by the Four Powers. The decisions adopted at the Yalta and Potsdam conferences, as well as the agreement of the Four Powers on control machinery in Germany, set as their aim the demilitarisation and democratisation of Germany, the undermining of the very basis of German militarism and the prevention of the revival of Germany as an aggressive power, and hence the conversion of Germany into a peace-loving and democratic state. These agreements stipulate Germany's obligation to pay reparations and thus, even if only partially, to compensate for the damage done to the countries which suffered from German aggression. In accordance with these agreements, the Governments of the Four Powers accepted responsibility for administering Germany and undertook to determine jointly the status of Germany or of any areas, including Berlin, which are part of German territory, and to conclude a peace treaty with Germany, which should be signed by a Government of democratic Germany adequate for the purpose.

These highly important agreements of the Four Powers in relation to Germany have been violated by the Governments of Gt. Britain, the United States of America and France. Measures for the demilitarisation of Germany have not been completed and such an important centre of German war industry as the Ruhr region has been removed from the control of the Four Powers. Fulfilment of the decision on reparations from the western zones of occupation of Germany has been disrupted by the governments of Gt. Britain, the U.S.A. and France. By the separate actions of the Governments of Gt. Britain, the U.S.A. and France, the quadripartite control machinery in Germany has been destroyed, as a result of which the Control Council has ceased to function.

Since the London Conference of Three Powers, with the participation of the Benelux countries, measures are being carried out by the governments of Gt. Britain, the U.S.A. and France aimed at splitting and dismembering Germany, including the preparation now taking place for the appointment of a separate Government for the western zones of



Germany and the separate currency reform carried out on June 28 of this year for the western zones of occupation.

Inasmuch as the position which has arisen in Berlin, as in the whole of Germany, is a direct consequence of the systematic violation of the decisions of the Potsdam Conference by the governments of Gt. Britain, the U.S.A. and France, as also of the agreement of the Four Powers on control machinery in Germany, the Soviet Government must reject as altogether unfounded the declaration of the Government of Gt. Britain to the effect that the measures for restricting transport communications between Berlin and the western zones of occupation of Germany, introduced by the Soviet Command to protect the economy of the Soviet zone from disorganisation, allegedly constitute a violation of existing agreements relating to the administration of Berlin.

2. The Government of Gt. Britain declares that it occupies its sector in Berlin by a right deriving from the defeat and surrender of Germany, referring in this connection to the agreement between the Four Powers relating to Germany and Berlin. Thereby it is merely confirmed that the existence of the above-mentioned right in relation to Berlin is bound up with the obligatory fulfilment by the powers occupying Germany of the quadripartite agreements concluded between them in relation to Germany as a whole. In accordance with these agreements, Berlin was envisaged as the seat of the supreme authority of the Four Powers occupying Germany, and agreement was reached on the administration of "Greater Berlin" under the direction of the Control Council.

Thus, the agreement on quadripartite administration of Berlin is an inseparable, component part of the agreement on quadripartite administration of Germany as a whole. When Gt. Britain, the U.S.A. and France by their separate actions in the Western zones of Germany destroyed the system of quadripartite administration of Germany and began to create in Frankfurt-on-Main a capital for a government of Western Germany, they thereby undermined also the legal basis on which rested their right to participate in the administration of Berlin.

The Government of Gt. Britain points out in its No. 1 that its right to stay in Berlin is also based on the fact that Gt. Britain withdrew its troops from certain areas of the Soviet zone of occupation which they had entered during the period of military operations in Germany, and that, had it foreseen the situation which has arisen in Berlin, it would not have withdrawn its troops from these areas. However, the Government of Gt. Britain knows very well that, by withdrawing its troops to the confines of the British zone established in the Four Power agreement on the zones of occupation in Germany, it merely fulfilled the obligation it had undertaken, and the fulfilment of which alone could give Gt. Britain the right to take her troops to Berlin.

Perusal of President Truman's letter to Premier Stalin of June 14, 1945, and Premier Stalin's letter in reply of June 16, 1945, and the similar correspondence between Premier Stalin and Mr. Churchill, which are mentioned in the No. 1 of the Government of Gt. Britain, confirms that owing to the agreement then reached the troops of Gt. Britain, the U.S. and France obtained the possibility of entering both Berlin—the capital of Germany—and Vienna—the capital of Austria—which, as is known, were captured only by the troops of the Soviet Army. It is also known that the above mentioned agreements on Berlin and Vienna were only part of the agreements on Germany and Austria, on the fulfilment of which the Soviet Government is insisting.

3. The Government of Gt. Britain declares that the temporary measures introduced by the Soviet Command for restricting transport communications between Berlin and the Western zones, have created difficulties in the supply of the Berlin population of the Western sectors. It cannot, however, be denied that these difficulties were caused by the actions of the Governments of Gt. Britain, the U.S.A. and France, and above all by their separate actions in introducing a new currency in the Western zones of Germany and a special currency in the Western sectors of Berlin.

Berlin is in the centre of the Soviet zone and is part of that zone. The interests of the Berlin population do not admit of a situation where there has been introduced in

erlin, or even only in the Western sectors of Berlin, a currency which is not in circulation in the Soviet zone. Moreover, the introduction of a separate currency reform in the Western zones of Germany placed Berlin, and with it the entire Soviet zone of occupation, in a position where the entire volume of currency notes invalidated in the Western zones threatened to pour into Berlin and into the Soviet occupation zone of Germany.

The Soviet Command was compelled therefore to adopt urgent measures to safeguard the interests of the German population as well as of the economy of the Soviet zone of occupation and the area of "Greater Berlin". The danger of destruction of the normal economic activity of the Soviet zone of occupation and Berlin has not been averted even yet, since Gt. Britain, the United States and France continue to maintain their own special currency in Berlin.

At the same time the Soviet Command has constantly manifested, and continues to manifest, concern for the well-being of the Berlin population and for ensuring it normal supplies of everything necessary, and is striving for the speediest elimination of the difficulties which have recently arisen in this matter. Moreover, if necessary, the Soviet Government will not object to ensuring sufficient supplies for the whole of "Greater Berlin" by its own means.

As regards the declaration of the Government of Gt. Britain that it will not be induced by threats, pressure or other actions to abandon its right to participate in the occupation of Berlin, the Soviet Government does not intend to enter into a discussion of this declaration, for it has no need of a policy of pressure, since by violation of the agreed decisions on the administration of Berlin the above-mentioned Governments are themselves rendering null and void their right to participation in the occupation of Berlin.

4. The Government of Gt. Britain in its Note of July expresses readiness to begin negotiations between the four allied occupying Powers for an examination of the situation which has arisen in Berlin, but passes over in silence the question of Germany as a whole.

While not objecting to negotiations, the Soviet Govern-

ment, however, deems it necessary to declare that it cannot link the start of these negotiations with the fulfilment of any preliminary conditions and that, secondly, quadripartite negotiations could only be effective if they were not confined to the question of the administration of Berlin, since this question cannot be separated from the general question of quadripartite control in relation to Germany.

## **PROCLAMATION OF THE SOVIET MILITARY ADMINISTRATION TO THE GERMAN POPULATION**

*On June 19th, the Soviet military administration in Germany issued a proclamation to the German population, which reads:*

**C**ITIZENS of Germany!

A separate currency reform has been announced in the Western occupation zones of Germany. The uniform German currency, that is, the Reichsmark, is being removed from circulation there by order of the American, British and French occupation authorities and a separate currency is being introduced. There will now be no uniform State currency or uniform currency circulation in Germany. And this is being done in defiance of the will and interests of the German people. The currency reform is being carried out separately, in the interests of American, British and French monopolies, which are dismembering Germany and trying to weaken her by subordinating her economy to themselves.

Another serious blow has been dealt to the State unity of Germany. The agreement on control machinery and the Potsdam Agreement, which stipulate that Germany must be treated as one unit and that unity of currency circulation be preserved, have been violated.

The financial reform which is being carried out in the three Western occupation zones of Germany completes the splitting up of Germany. Afraid of the responsibility and the indignation of the German people, the organisers of the

separate currency reform are trying to justify it with a fabrication about the apparent impossibility of carrying out a uniform currency reform for the whole of Germany. The purpose of this fabrication is to deceive public opinion.

A uniform all-German currency reform based on a four-Power agreement was entirely possible and necessary. As every one knows, the Soviet military administration in Germany, acting in line with instructions from the Soviet Government, has always insisted on the preservation of Germany's political and economic unity. It has always opposed all separatist actions aimed at the dismemberment of Germany. In the bodies of the Control Council, the representatives of the Soviet Union have used every opportunity to seek agreement on the carrying out of a uniform currency reform for the whole of Germany. At the same time, the representatives of the Soviet Union insisted on the immediate creation of an all-German finance department and a central German bank of issue, so that the Germans themselves could take part in carrying out the reform and ensuring a stable currency for the economic revival of their country.

The Soviet representatives in the Control Council proposed that the preparations of a separate financial reform in individual zones of Germany should be condemned. Four-Power agreement was even reached on the principles to be followed in carrying out an all-German currency reform. Nevertheless, an all-German currency reform was disrupted.

It is now clear that the American, British and French representatives, while formally conducting discussions in the Control Council about an all-German currency reform, used these discussions for the secret preparation of a separate currency reform.

Attempts to justify the separate currency reform are being made by reference to the necessity of bringing order into the circulation of currency in the Western German zones of occupation, ruined by National Socialism.

But during the past three years the occupation authorities in the Western zones of Germany have virtually sabotaged measures to regulate currency circulation. The disorganised

currency circulation was used to subordinate the economy of Germany to the interests of American, British and French monopolies. Huge sums of money have remained in the Western zones, entirely in the hands of big capitalists and profiteers, money which they had made from war contracts and speculation.

German banking and industrial monopolies have remained in the Western zones and many of them have as good as been transformed into branches of Wall Street, that is, branches of American banks and industrial monopolies.

Pursuing a policy of splitting Germany, the American, British and French monopolies are relying, in the Western German zones of occupation, on the representatives of big German capital and Junkerdom, who brought fascism to power and prepared and launched the Second World War. The separate currency reform strengthens the political and economic position of these reactionary circles, to the detriment of the interests of the working people.

The bizonal and trizonal bodies in the Western zones, which call themselves representatives of the German people, are puppets, as the facts show, in the hands of British, American and French monopolies.

The separate currency reform does serious damage to the economic recovery of Germany. Instead of a uniform German currency there will be two currencies, instead of uniform prices there will be two standards of prices. Trade relations inside the country will be disrupted. In actual fact, inter-zonal trade is becoming trade between different States, in so far as there are different currencies. The currency of Western Germany will fall under the control of the American dollar, even in financial transactions within Germany itself, which is what the American monopolies want. The prerequisites of free movement of population and goods between the occupation zones of Germany will be disrupted.

The financial reform in the Western occupation zones of Germany leads to the rupture of economic relations between the various parts of Germany, relations which have developed over a period of centuries. It will have an adverse effect



in the economic situation of all regions of Germany including the Western zones, the economy of which has always been indissolubly linked with the Eastern regions of Germany. It signifies the culmination of the splitting of Germany.

That is why the attempt to justify the separate currency reform with a hullabaloo about bringing order into money circulation in the interests of the German economy is false.

Seeking to make secure the development of Germany's peace economy on the basis of the Potsdam decisions and in the interests of the German people, the Soviet military administration in Germany is trying to obtain a currency reform for the whole of Germany. As before, insisting on the necessity for political and economic unity in Germany, the Soviet military administration condemns the action of the American, British and French occupation authorities in carrying out a separate currency reform, and holds them completely responsible for the consequences of this action. In view of the situation which has developed, the Soviet military administration in Germany announces the following:

1. The banknotes issued in the Western occupation zones of Germany will not be permitted to circulate in the Soviet zone of Germany or in the area of Greater Berlin which is located in the Soviet zone of occupation and constitutes an economic part of that zone.

2. The Soviet military administration informs the population of Germany that it is prohibited to import into the Soviet occupation zone or into the area of Greater Berlin the new banknotes issued in the Western occupation zones or Reichsmarks, Rentenmarks and Marks of the Allied Military Commands of the Western zones of Germany.

3. The import of the new banknotes issued in Western Germany, or of Reichsmarks, Rentenmarks and Marks of the Allied Military Command of the Western zones, as well as acceptance of the new banknotes as payment in the Soviet zone of Germany and in the area of Greater



Berlin will be regarded as actions aimed at undermining the economy and those guilty of them will be subject to the due penalties.

These regulations have the force of law.

For the purpose of protecting the interests of the population of the Soviet zone of occupation of Germany and of the Greater Berlin area and of preventing economic dislocation through the separate actions of the Western Powers, the Soviet military administration in Germany will also adopt other necessary measures arising out of the present situation.

The Soviet military administration in Germany feels certain that the German population will support its measures and will take the necessary steps to overcome difficulties, to raise the level of the economy and strengthen currency circulation in the Soviet occupation zone of Germany.

Supreme Commander of the Soviet Military Administration in Germany, Commander-in-Chief of the group of Soviet occupation forces in Germany,

MARSHAL OF THE SOVIET UNION V. SOKOLOVSKY.

Berlin, June 13, 1948.

## **CURRENCY REFORM IN THE SOVIET ZONE OF OCCUPATION IN GERMANY**

*On June 23, 1948, Order No. 111 of Marshal Sokolovsky, Supreme Commander of the Soviet Military Administration in Germany, introducing a currency reform in the Soviet zone of occupation was published in Berlin. The order reads:*

**A** SEPARATE currency reform has been carried out in the Western occupation zones of Germany. The uniform currency, on which the economic ties between the various districts of the country, were based, has been disrupted. A crushing blow has been dealt to German unity. The agreement concerning the control machinery and the Potsdam Agreement, which provided for the preservation of Germany's unity, have been violated. The separate currency

reform in the Western zones consummates the division of Germany.

The American, British and French occupation authorities have carried out this separate currency reform in defiance of the interests of the German people, and in deference to the wishes of the American, British and French monopolies, which are working to dismember and weaken Germany and enthrall her economically. The separate currency reform in Western Germany is also designed to strengthen the position of the big German capitalists and Junkers, who ensured the advent of fascism to power and who paved the way for and unleashed the second world war, and who are now helping to bind Western Germany in bondage to foreign imperialists.

The Soviet Military Administration in Germany, in pursuance of the instructions of the Soviet Government opposed separate currency reform in any of the occupation zones of Germany and insisted on a currency reform for the whole country. A single currency reform for the whole of Germany was possible and essential in the interests of Germany. Agreement had been reached in the Control Council on the fundamental principles of a currency reform for the whole of Germany. However, the four-Power agreement for a currency reform for the whole of Germany, the major provisions of which were already drafted, has been torpedoed by the American, British and French occupation authorities.

The resulting situation constitutes a serious threat to the normal recovery and development of the peace economy of all Germany.

Under these circumstances, the Soviet Military Administration in Germany, conceding to the demands of the German democratic public, is compelled to adopt urgent measures to protect the interests of the German population and the economy of the Soviet occupation zone and of Greater Berlin. Accordingly, the Soviet Military Administration accepts the proposal of the German Economic Commission to inaugurate a currency reform in the Soviet occupation zone.

In contradistinction to the separate currency reform in the Western occupation zones, which is being carried out in the interest of foreign and German monopolies, the currency reform in the Soviet zone will be based on the interests of the working people, the principles of social justice, and the necessity of restoring and developing Germany's peace economy as rapidly as possible. The currency reform in the Soviet zone should sharply diminish the amount of money in circulation and bring it into conformity with the needs of economic development. At the same time, it should involve the least possible loss to the working population. The main burden of the losses, which are an inevitable concomitant of currency reform, must be borne by the persons who enriched themselves by war contracts, profiteering, and illegal black market operations. The currency reform should create broad potentialities for the further development of industry and agriculture, primarily by strengthening the key industries belonging to the people and the farms belonging to working peasants and also by the utilization of the private enterprises directed towards the development of the peace economy.

Naturally enough, insisting as it did on the necessity of a currency reform for the whole of Germany, the Soviet Military Administration did not deem it possible to pursue a double policy and to make secret preparations for a separate currency reform. There are consequently no printed currency notes available at present for the Soviet occupation zone. The currency reform in the Soviet zone will be effected on the basis of the Reichsmark and the Rentenmark, on which special coupons will be gummed.

It is essential to the success of the currency reform that all the population, all democratic organizations and the entire press in the Soviet zone should actively assist its proper working in conformity with the established procedure, and also help to speed economic progress, the overcoming of economic difficulties, and the expansion of trade, as well as to combat profiteering, the black market and illegal price-raising.

Taking into account the proposal of the German Econo-

mic Commission and the wishes of the German democratic public,

I hereby order:

1. Throughout the territory of the Soviet zone of occupation of Germany and in Greater Berlin, new currency notes—Reichsmarks and Rentenmarks of the old pattern with special coupons gummed on them—shall be introduced, as from June 24, 1948.

Metal coins shall continue to circulate at their nominal value.

2. Reichsmarks and Rentenmarks with the special coupons gummed on them, as well as the metal coins in circulation, shall be the sole payment media in the Soviet zone of occupation and Greater Berlin.

3. In order to prevent disturbances of currency circulation and to eliminate economic difficulties, only the new currency notes of the Soviet occupation zone shall circulate in Greater Berlin, which is located in the Soviet occupation zone and economically forms part of it.

4. By June 28, 1948, inclusive, all persons and heads of enterprises, organizations and institutions in the Soviet zone and in Greater Berlin shall deliver all Reichsmarks, Rentenmarks and marks of the Allied Military Command in their possession to the banks in exchange for new currency notes—Reichsmarks and Rentenmarks of the old pattern with the special coupons gummed on them.

5. The exchange of Reichsmarks, Rentenmarks and marks of the Allied Military Command for the new currency notes—Reichsmarks and Rentenmarks with the special coupons gummed on them—shall begin on June 24 and be completed by June 28, 1948.

On June 29 the exchange of the Reichsmarks, Rentenmarks and marks of the Allied Military Command shall cease.

6. During the first two days of exchange, i.e., June 24 and 25, side by side with the new currency notes, old currency notes—Reichsmarks, Rentenmarks and marks of the Allied Military Command—shall be allowed to circulate and to be accepted in payment at the rate of ten old marks for one new mark.

The circulation of marks of the Allied Military Command, as well as of Reichsmarks and Rentenmarks without special coupons gummed on them, shall cease on June 26.

7. The "Regulations Governing the Currency Reform in the Soviet Occupation Zone of Germany," submitted by the German Economic Commission, are hereby endorsed, and the German Economic Commission, as well as the governments of the Länder, and the Magistrat and other organs of administration of the city of Berlin, are ordered to arrange for the exchange of Reichsmarks, Rentenmarks and marks of the Allied Military Command for the new currency notes—Reichsmarks and Rentenmarks of the old pattern with special coupons gummed on them—as well as for the revaluation of deposits and balances on current accounts at the rate of ten old marks for one new mark, except in cases where privileges or special rates of exchange or revaluation are provided for in the said Regulations, namely:

(a) With a view to protecting the current earnings of the working population, a more favourable rate of exchange shall be applied for currency notes up to 70 marks per person, namely 1:1;

(b) With a view to protecting workers' savings and the interests of insured persons, more favourable rates of revaluation shall be applied to savings deposits—up to 100 marks at the rate of 1:1, and up to 1,000 marks at the rate of 5:1—and to insurance policies—at the rate of 3:1;

(c) Sums on the current accounts of state, municipal and other public enterprises shall be revalued at the more favourable rate of 1:1;

(d) Sums on the current accounts of other industrial enterprises shall be exchanged at the more favourable rate of 1:1 to the amount of a weekly turnover and of their payroll obligations, while sums on the current accounts of trading and other business organizations shall be exchanged at the more favourable rate of 1:1 to the amount of their weekly payroll;

(e) With a view to promoting the further consolidation of the peasant farms which received land under the land re-

form, credits granted to them shall be revalued at the more favourable rate of 5:1;

(f) Sums credited to current accounts and deposit accounts before May 9, 1945, and now blocked shall be revalued at the rate of 10:1; internal loan certificates shall be issued to the amount obtained after the revaluation. If the balance on any current or deposit account shall exceed 3,000 marks, the owner of the current or deposit account shall be issued loan certificates only after it has been verified that the funds were lawfully acquired.

The German Economic Commission shall within three months from the date of this order decide on the terms and rates of issue of the internal loan;

(g) With a view to confiscating funds acquired from war contracts, profiteering, illegal price-raising and black market operations, exchange of cash over and above 5,000 marks per family and current or deposit account balances over and above 5,000 marks shall be sanctioned only after the lawfulness of the origin of these sums has been verified. Earnings from war profiteering, speculation, unlawful price-raising and black market operations are declared illegal and subject to confiscation. Sums belonging to fascists and war criminals are likewise subject to confiscation.

The German Economic Commission shall issue instructions as to the procedure of verifying the legality of the origin of such sums and shall ensure the careful verification and confiscation of illegal earnings within a period of two months from the date of publication of this order.

8. In the carrying out of the currency reform, the wages of all workers and other employees, pensions and stipends, as well as prices for all goods and services shall be maintained at their former level.

9. The currency reform shall not affect Germany's internal national debt incurred prior to May 9, 1945, nor Germany's foreign debts, nor the obligations of closed banks. The purchase, sale and payment of interest on government internal loan certificates issued prior to May 9, 1945, are forbidden.

10. Sums in Reichsmarks, Rentenmarks and marks of the Allied Military Command belonging to generals and officers



of the Soviet Army or employees of the Soviet Military Administration shall be exchanged at the rate of 1:1 to the amount of a fortnight's, and in the case of privates and non-commissioned officers, of a month's pay receivable in German currency.

Sums exceeding the said amounts shall be exchanged at the rate of 10:1.

Sums in German currency in savings and current accounts belonging to such persons shall be cancelled and may be subject to revaluation.

11. The direction of all operations connected with the currency reform shall be vested in the Chief Finance Board of the German Economic Commission, which shall be responsible for the strict observance of the rules governing the exchange of cash, currency notes, and the revaluation of savings deposits and current accounts in accordance with the ratified "Regulations Governing the Currency Reform in the Soviet Occupation Zone of Germany."

12. Direction of and responsibility for carrying out the currency reform in the Länder shall be vested in the Prime Ministers; in the cities and districts, in the mayors and Landrats; in Greater Berlin, in the district mayors and city Magistrat.

Prime Ministers of the Länder and mayors and Landrats of cities and districts shall endorse a list of banks permitted to operate the currency reform, arrange for the assignment of the necessary number of employees to the banks, the provision of suitable premises, and the safeguarding of valuables during the carrying out of the reform.

13. Exchange of old currency notes and revaluation of accounts and deposits shall be effected through the German Bank of Settlement and Issue, and the banks of settlement and issue of the Länder, and, in the city of Berlin, through the city branch of the bank.

Revaluation of savings bank deposits and current accounts shall be completed not later than June 30, 1948.

14. Counterfeiting of the special coupons to current notes shall be regarded as counterfeiting of money, and p



ons guilty of such shall be prosecuted under the existing laws.

The putting into circulation in the Soviet occupation zone in Greater Berlin of currency notes other than those provided for in Article 1 of this order, as well as of Reichsmarks or Rentenmarks without the special coupons gummed on them, will be regarded as an act designed to undermine the economy, and persons guilty of such will be subject to the appropriate penalties.

The German Administration of Home Affairs of the Soviet occupation zone, the Ministers of Home Affairs of the Länder, and the chiefs of police of the city of Berlin and its districts shall take measures to combat the crimes defined in Article 14 of this order.

15. The Chief Finance Board of the German Economic Commission of the Soviet occupation zone, the Finance Ministers of the Länder, and the city branch of the bank in Berlin shall be responsible for the submission of current information on the progress of the exchange of currency notes and revaluation of accounts, as well as of final reports summing up the results of the currency reform.

16. With a view to stabilizing the currency, the German Economic Commission, the Länder governments, the Landrats and mayors of cities and districts shall:

(a) institute strict control to ensure the maintenance of existing prices and take vigorous measures to combat black marketing and profiteering;

(b) take measures to increase the output of industrial goods and agricultural produce, and to ensure the supply of manufactured goods and food to the population;

(c) draft proposals for changes in tax legislation, with a view to levelling out the burden resulting from the war, establishing fair taxation of the earnings of enterprises, and protecting the earned incomes of the population;

(d) take measures to eliminate superfluous administrative costs and other unproductive expenditures, to ensure the balancing of the budget and maximum investment of funds for the economic rehabilitation of the zone.

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order  
of the

Soviet Military Administration in Germany.

Supreme Commander of the Soviet Military Administration, Commander-in-Chief of the group of Soviet occupation forces in Germany.

MARSHAL OF THE SOVIET UNION V. SOKOLOVSKY

Chief of Staff of the Soviet Military Administration in Germany,

LT.-GEN. G. LUKYANCHENKO

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